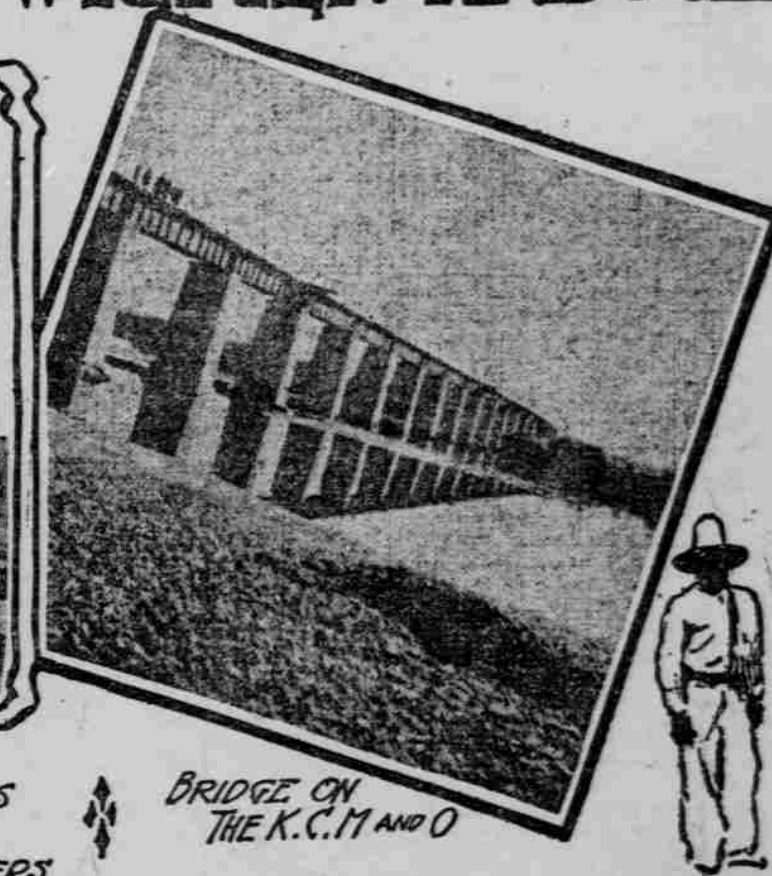
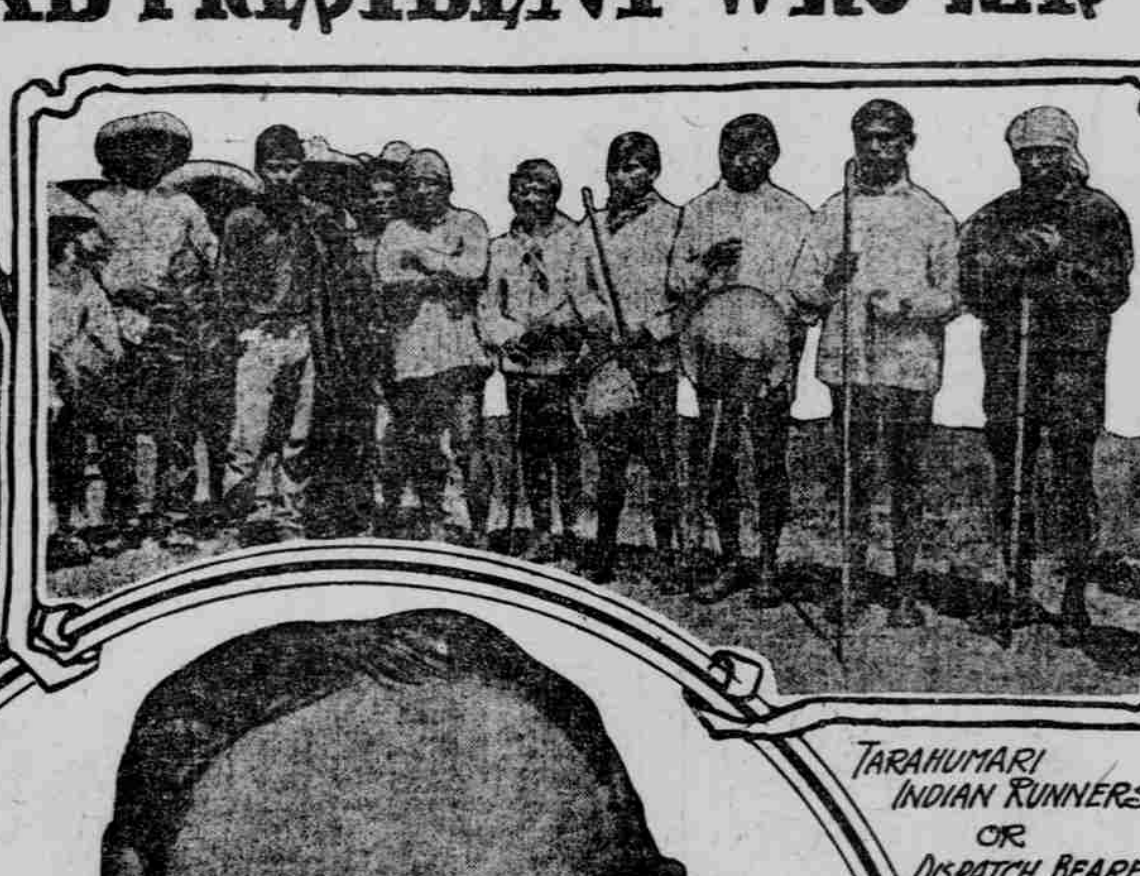
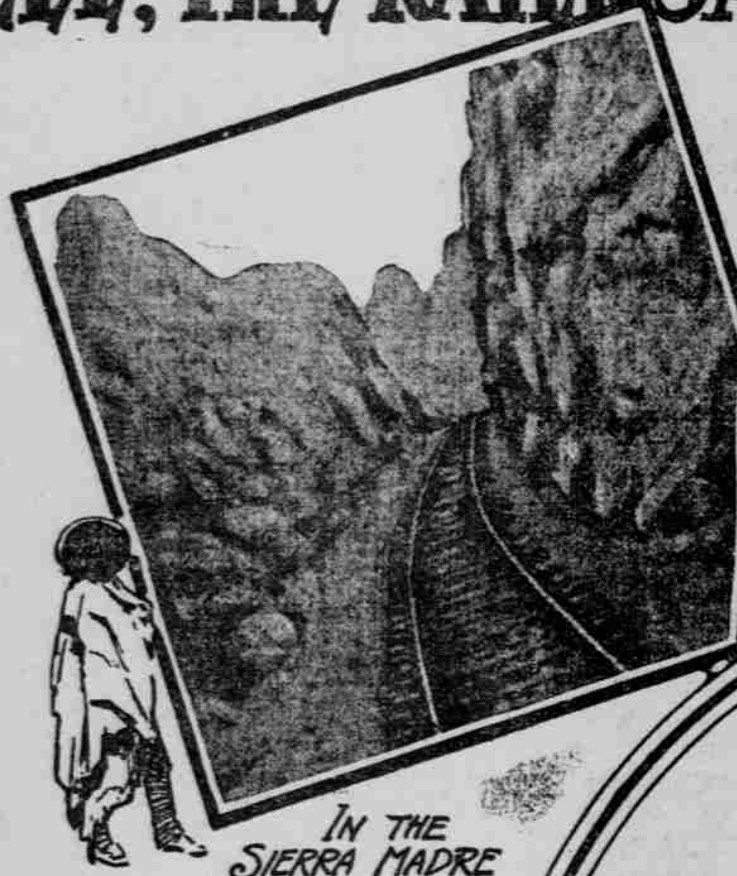


STILWELL, THE RAILROAD PRESIDENT WHO HAS WRITTEN A BOOK

Most Remarkable Figure in the Transportation Field Now Turns Author—Writes to Justify Higher Rates and to Picture Railroad Builders as the Greatest Benefactors of the Nation—Lambastes Bear Raiders of the Stock Exchange, Although He Has Built Two Great Railroads Without Ever Going to Wall Street, the Only Case of the Kind in Railroad History—Personally Raised \$40,000,000—Started Life as a Printer.



ARTHUR I. STILWELL

ARTHUR I. STILWELL, the most remarkable figure in the transportation world, has written a book. He was the builder and the president of the Kansas City, Pittsburg & Gulf Railroad, now known as the Kansas City Southern, one of the great north and south lines of the Middle West. Now he is building the Kansas City, Mexico & Orient Railway, which is the shortest route by 400 miles from the Missouri River to the Pacific. This new Pacific line will be finished in two or three years. About 800 miles of its track has been laid and is in operation. The two ends are built, but there are gaps between of about 650 miles.

Mr. Stilwell's book, the title of which is "Confidence or National Suicide?" is not likely to be the season's "best seller," but it is unique in that it is the plain, outspoken opinion of one of America's great captains of industry, not only in regard to the leading questions of the day but in respect to some other big men. Wall Street will be intensely interested in it. Investors will read it from cover to cover. The general public is not likely to find it so absorbing. It is a protest against the present attitude of the American people toward the railroads. It is a plea for higher railroad rates. It is a tribute to the railroad builders, who Mr. Stilwell considers the greatest benefactors of the nation. It is a justification of "water" in securities, but Mr. Stilwell makes the distinction that much of what is termed "water" really is enhancement of values and is justified. He lambastes the bear raiders of Wall Street, denouncing them as enemies to prosperity and destroyers of confidence. He has a chapter entitled "Grabitis," in which he draws a picture of the money-mad man in finance. The person who reads this chapter is likely to believe that Mr. Stilwell had E. H. Harriman in view when he wrote it. He suggests remedies for the present unsettled condition of affairs in America. Among other things he proposes a corporation court and that traffic rates shall be fixed for fifteen years. But above all he makes the plea, "Let us be fair."

It is a rare thing for a railroad president to become an author, and the strange thing about Mr. Stilwell is that while he has built two of the great railroads of the United States he constructed them without the aid and practically in defiance of Wall Street. He never sold a share of his securities in the New York Stock Exchange. It is the only case on record in America. He never had anything to do with the New York Stock Exchange. He never bought a share or sold a share of any stock on margin. His railroads have been built as business enterprises, and have been operated as such. They have had no speculative attendants.

Mr. Stilwell is as proud of his book as a man is of his firstborn. He says it is selling like hot cakes. In the next edition he is going to have a chapter on "Water," in which he will show how large a part the alleged "water" has played in the development of the railroads.

Of all the great railroad men of America, New Yorkers probably know Arthur I. Stilwell the least, and yet he has been in and around New York a good deal. He is an Eastern born. His grandfather was one of the builders of the Erie Canal and of the New York Central Railroad, and one of the great railroad and transportation developers of his time. Young Stilwell was the pet of this old railroad man, and from his childhood was his companion. As a boy Arthur Stilwell never played—he knew none of the games of childhood. He was an invalid almost from birth. He had to be carried around on a pillow. There is no evidence of this now, for he is a magnificent specimen of manhood. He is 51 years old and looks to be 40. He has the frame of a college athlete and the clear skin and strong eye of the clean-living man. What education he has he picked up out of books and papers, for he went to school only two terms. He is not a rich man, but he has a genius for raising money. When he was 14 years old his father met with business reverses in the Titusville oil field, and said to him one day:

"Arthur, I cannot furnish you with tailor-made clothes and fine linen any more. I haven't the money to provide them."

The boy told the father that he never would need to buy anything for him again, and he did not. The lad went to Rochester and, with some money he had saved out of what sums his grandfather had given him, he bought a printing plant and started in as a commercial printer. While the journeymen looked after the jobs the boy, Stilwell, went out and solicited the business. By the time he was 15 years old he had obtained so much business for his plant that he attracted the attention of other concerns, and he was engaged as a commercial traveler by a law blank publishing company—on the road at 15. He traveled up and down the Erie and the New York Central lines and did a big business. Next he was engaged by a Baltimore concern of printers and traveled for them in the Carolinas and Virginia. When he was 19 he was making between \$2,000 and \$3,000 a year, and he got married. Then he went West. In Kansas City he rented a printing office, put all his wonderful energy into it and made money from the first. But his health gave way and he had to give up the business. Printing was too confining. He moved to Chicago and became the representative of two or three stationery houses there as salesman.

All this time he had been thinking of railroads, railroads, railroads. The blood of his grandfather was strong in his veins. His grandfather always had talked to him as if he was a grown man, even when Arthur Stilwell was only a wee chap. He took the lad with him into conferences with financiers, contractors and others. The old man always treated the boy as an equal. The boy was fed on business and statistics and finance. To-day there is no man in the United States who can get at the heart of a complicated mass of statistics quicker and surer than Mr. Stilwell.

But although he thought continually about railroads he was not yet ready to embark in railroad as a career. He was tired of the drudgery of the printing business and of selling stationery. He began to study life insurance. That fascinated him for a few years. He became assistant State agent of the Travelers' Insurance Company in Illinois, and invented a new policy which was the first coupon policy ever issued in the insurance field. This was so great a success that within two years after its introduction, 60 per cent of all the business that was done by the Travelers was through this policy. Its success was so great that they made Stilwell State agent for Connecticut and Rhode Island. He also invented another policy which was adopted by the Penn Mutual and which was remarkably successful.

But he was still thinking of railroads, railroads, railroads, and at 27 he amazed the insurance people by resigning and announcing that he was going to become a railroad man. He was making \$7,000 or \$8,000 a year and his income was increasing rapidly. He had saved up quite a bit of money and had a fair amount of royalties coming to him, so he started West again. Once more he landed in Kansas City. The Belt line that has done so much for the railroads of that great transportation center was built by Arthur I. Stilwell. He financed this project by raising the money from the insurance people with whom he had been working. Once the Belt line was built he turned his attention to a new enterprise. The railroad running east and west had a monopoly of the great traffic beyond the Mississippi. They fixed the rates on grain, on packing house products, on ore and on all the other great commodities and staples of Kansas, Nebraska, Iowa and the mining States of the Far West. It was further from the Missouri River to the Atlantic seaboard than it was from Kansas City to the Gulf. The surplus products of the Middle West go, in a large measure, across the ocean.

In 1892 Stilwell began building the Kansas City, Pittsburg & Gulf, which was practically the air line from Kansas City to the Gulf of Mexico—800 miles. This road is better known to-day as the Kansas City Southern. There was not much trouble about constructing the first hundred miles, but when he got that far the panic of '93 hit him. To build the next ten miles was a horror. It required more application, more time, more energy, more persistence to raise the money for this little bit of track than it did for the next 300 or 300

miles. When he neared the Gulf, it was doubtful whether he was going to seek an outlet at New Orleans or at Galveston. He did not go to Galveston because he made up his mind that that city was in danger of destruction by a tidal wave. Huntington, Gould and others blocked his way to New Orleans, and there was not a port for him to go to. So he built a land-locked harbor of his own out in the cow pastures on the shore of Lake Sabine, and he brought the Gulf of Mexico up into his harbor. He had a terrific fight to do it, for at one time there were thirty-five lawsuits blocking him. Two of these suits were carried to the Supreme Court of the United States. But he won and the city of Port Arthur, named in his honor, a good sized city to-day, a seaport doing an immense traffic, is one of the monuments of his energy.

The Kansas City, Pittsburg & Gulf Railroad represents an investment of \$23,000,000. To build that road and to construct the Kansas City, Mexico & Orient, Mr. Stilwell personally has raised \$40,000,000.

The writer of this story knew Mr. Stilwell in Texas in the days when he was having the great struggle to establish Port Arthur, in the days when he was bringing over from Holland colonies of Dutchmen to make homes on the prairie around Port Arthur and around New Netherlands, in the days when he established the wonderful agricultural experimental station at New Netherlands which is one of the greatest in the United States. The Stilwell of to-day is no different from the Stilwell of those days. He looks just as young and has every bit as much energy. The fact that he lost the Kansas City Southern and that it fell into the hands of Gates, Harriman and Gould, does not seem to have fazed him a bit. The day he lost control of the Kansas City Southern he conceived the idea for the Kansas City, Mexico & Orient and began to plan it. He doesn't believe in idling.

Mr. Stilwell was asked how it was that he had managed to finance two such great projects as the Kansas City Southern and the Kansas City, Mexico and Orient without the aid and without paying tribute to Wall Street.

"So long as I don't need Wall Street, why should I go to it?" Mr. Stilwell replied. "If you were an electrician and you wanted some little electrical work done in your house would you call in another electrician to do it? You would do it yourself. That is the way it is with me. When I was in the insurance business I made a great number of acquaintances, men of substance, acumen and courage. I know thousands of such men. I love railroading. I like to do my own work myself. Doing it is a pleasure. Why should I pay some one in Wall Street to finance a railroad proposition when I can raise the money through my own efforts? It would be waste."

He was asked why it was he had been so sweeping in his book in his denunciation of the bears of Wall Street, seeing he had nothing to do with Wall Street.

"I have no complaint against the 'bear,' the man who sells stocks or sells short. I don't know anything about Wall Street methods, generally speaking, but what I do inveigh against and what I strike at strongly in my book is the man who attacks credit, the man who builds on falsity to destroy, the man who tears down and who does widespread injury. That is the type of bear raider who should be checked. The methods these men employ to destroy credit are criminal. They have a license that is beyond understanding. Their methods are reprehensible in the extreme. The public has no conception of the injury they do. It is not to the speculator but to the legitimate property interests that the lasting harm is done. I never have sold

or bought a share of stock on margin in my life, and I don't intend to.

"I haven't written my book for Wall Street, but particularly for the public. I think the American people have a wrong conception of the railroad situation, and I think there are things in the book that will be illuminating and enlightening. Unless the attitude of antagonism and the attitude of railroads stop we will have financial unrest, if not panic, just so long as the present attitude continues. It is a time to be fair. It is a time to be fair to the railroads particularly. I have no Stock Exchange interests and no axes to grind, and I think I can speak impartially. I do not believe the public has any conception of what the railroads have done in the enhancement of values in America. I do not believe the public appreciates the genius of the men who have developed the great transportation lines of America. I do not believe the American people know the safeguards that have been thrown around investments in other countries or they would safeguard investments in this country. I do not believe the American people mean to be unfair, and I do not believe present conditions will continue after the American people understand the situation. But the quicker they understand conditions and rectify them the better it will be for the Nation."

One of the most interesting features of Mr. Stilwell's book is the chapter in which he pays a tribute to James J. Hill. He tells the story of the building of the Great Northern and what it meant in money values to the Northwest. The figures he gives are startling. He declares that through the building of the Great Northern Railroad Mr. Hill increased land values at least \$50,000,000, and that the value of labor that this railroad brought into commission amounts to \$300,000,000 annually. Aside from these two items, he says, there is a third benefit which might be overlooked, but which is by no means

negligible, and that is the opportunity he offered for a safe investment of foreign and domestic capital in new industries.

There is a chapter in the book in which Mr. Stilwell tells some stories of Diaz that are delightful. Probably no American railroad man has had more dealings or more intimate relations with the President of Mexico than has Mr. Stilwell. From the anecdotes in this book the reader is likely to have a good deal of respect, if not admiration, for the wonderful old man who rules over the republic to the south of us.

The Kansas City, Mexico & Orient road runs almost in an air line from Kansas City to Topolobampo, Mexico, in the Gulf of California. Mr. Stilwell got for this line the greatest concession ever given by Mexico. When the road is finished it is likely to play a big part in transcontinental traffic and transpacific commerce, for it will be the short line. Aside from through freight, the great thing is the opening up of immense stretches of virgin territory in Oklahoma, western Texas and Mexico.

ONLY DEALS WITH PLUTOCRATS

"Our business is unlike any other," said the substantial looking, smartly dressed man down in the Wall Street section. "We sell country estates to multi-millionaires. It is seldom we bother with anything under twenty-five acres. In a way we're like the men that sell railroad bridges; we make few sales, but those we do make are good ones."

"The essentials for our business are a man tremendously."

GRABITIS.

A Chapter from Mr. Stilwell's Book in Which He Pictures the Money-Mad American Financier.

ONE of the greatest faults of the American people may be termed, for want of a better word, "Grabitis," meaning that trait of grabbing, the "grab disease," which has of late had full sway in the United States.

It is grab, grab all the time until death calls the game. Suppose you do accumulate \$160,000,000, or \$16,000,000, or even \$600,000. Is this not enough to take the energy out of any young man who inherits it?

While you were accumulating this wealth in what a mad rush you were living! What pleasure did you get out of life? Your family and children obtained only a cinematographic view of you; with your clubs, your meetings, your wife had only a hazy idea that she had a husband, and by keeping a photograph of you in each room retained a fairly accurate idea of your appearance.

You acquired the C. & F. Railroad; then you bought the majority of the stock of the L. F. & W. and froze out a minority of the stockholders, by passing the dividends and pretending that you were upbuilding the road; at last you forced them out, or nearly, for a small price. When your squeeze was finished you started dividends by a well-arranged pool, pushed the stock up to nearly par, from about forty; this made for you perhaps \$4,000,000, which was one-half fair business dealings, and half plain highway robbery. Perhaps it is not just to cast such a slur on the highway robbers; they were brave men and took their lives in their hands; you were a sneak and snaggard the minority in a way they could not resent. But this \$4,000,000 enabled you to buy a large interest in the P. M. & F. Railroad; you were elected on the directorate; why in thunder you wanted this, God only knows! but the "Grabitis" possessed you and you grabbed. By this time you were elected to boards of twenty banks and trust companies, not for the benefit that you conferred upon the stockholders, but because you thought that, as a director, you could borrow more with less chance of being "called" in case you got into a hole. You soon were director in such a lot of banks and trust companies that you needed a secretary to tell you when the meetings occurred, and you nearly required roller skates on which to glide around from one meeting to another, in time to pocket the ten or twenty dollar fees. By coming in late you attracted attention and it appeared to your fellow directors that you were in demand, and that it was an honor for them to be on the same boards with you. Every time there was a money squeeze you were just two points ahead of "a fit," since your assets were spread out thin as moccasins in fly time.

Doubtless you worked hard and now then had to take a cocktail and a few whiskies to keep up the pace, but you had "Grabitis" and you could not stop to rest; you were a human steam roller, and, like adverse Fate, crushed those in your path. Then came a year when things looked blue; you took a house at Newport for the season in order to bluff your banks, and you rushed through the year, not once breaking a cog of the wheel of your plans.

Next, stocks were depressed! You tried to grab one more railroad, but some one with a "Grabitis" case eclipsing yours got ahead of you; it worried you; you felt the loss of prestige; you slept poorly; took more whisky and soda, etc. Soon there came a day when a string in your make-up snapped; you stayed around the house and sent word that you were feeling fine, but would take a month or two of rest; in a week or so all the strings were snapping and it was all over.

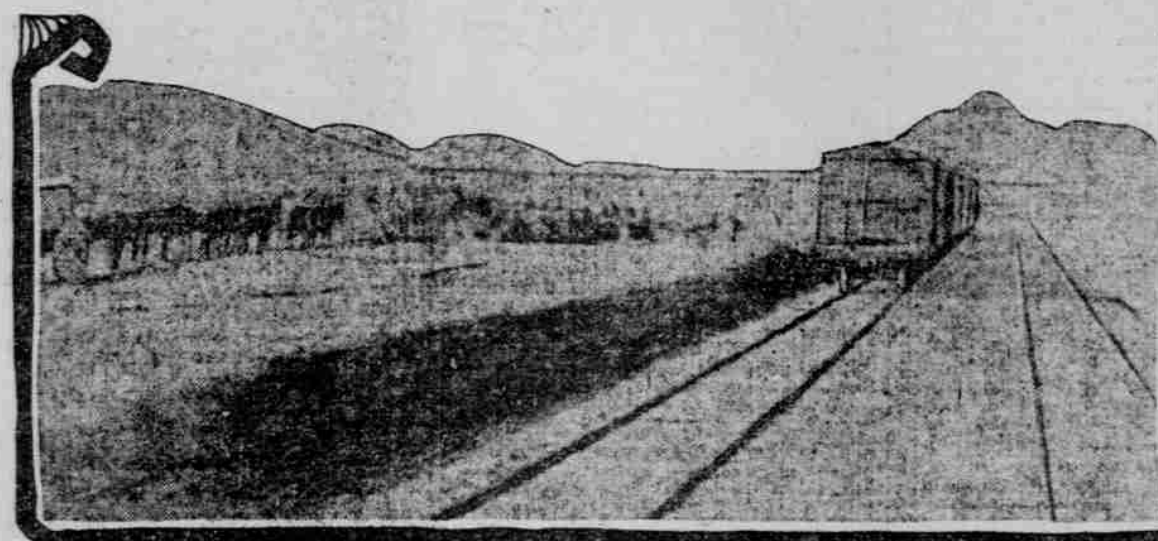
In twenty years not a person on earth, excepting son or daughter, will ever know that you existed; they will now and then point to your picture and say, "That was father—he was a wonder in his day!"

Is it worth it? You were merely a human cash register; just a machine in which to drop dollars to be added up correctly.

small suite of offices—no one ever comes to see us there—a telephone and also phones at the homes of my partner and myself, and a bright, quick-witted, resourceful, pleasant voiced young woman, who is a stenographer-secretary and who always knows where to find us. Staying in our offices is a waste of time; we must mix in with people, with the big men in the city and in the country, make ourselves personally well known and liked and incidentally pop into a man's ear, unobtrusively, but in a way he'll remember, that we have sites for country seats to sell.

"I don't suppose either my partner or myself is in our offices six hours a week altogether. A good many days we never come into the city at all. Both of us live out in the country in the midst of our properties, you might say. But our girl always knows where to put her finger on us. It would very rarely happen she couldn't get in touch with one or the other of us within a couple of hours at the very worst."

"In this business you've got to make everything easy for the big man you're selling property to. He hasn't the time to fuss over it. He has a clear idea of what he wants, and he thinks and acts quickly. You must be on hand when he wants you and you can't put him off like you can a little man. Our business would very nearly fall to the ground if it wasn't for our young woman, though. She knows the people worth while, and she'll move heaven and earth to get us at any moment and to do it in a way that will flatter the big man tremendously."



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